(c) The Eighth Plan envisages a hydro power capacity addition of 9,282 MW. Several steps to achieve the envisaged capacity addition have been initiated at the Central and State levels. Private participation in setting up hydro electric generation scheme is also being encouraged.

World Bank loan to State Electricity Boards

2132. SHRI T. VENKATRAM REDDY : Will the Minister of POWER be pleased to state :

(a) whether it is a fact that World Bank has reviewed its lines of credit to various State Electricity Boards;

(b) the amount of the existing credit from the World Bank to various Electricity Boards and whether the repayment of the credit has been regular;

(c) if not, tbe names of the State Electri city Boards which have defaulted in thii regard; and

(d) the number of the proposals sub mitted to the World Bank by various State Electricity Boards for new credit* alongwith the present status thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) to (c) The World Bank periodically reviews the pro* gress of power projects being assisted by it. Details of World Bank aided projects in the State sector are given in the enclosed Statement. (See below). The loans have been sanctioned through Government of India and there is no default in repayment of the loans.

(d) No new projects of SEBs have been formally subm'tted to the World Bank for financial assistance.

Statement-II

Details of World Bunk's existing credit/loan for. the State Electricity Boards.

S. No.	N*BM of ths Project/State	Loan/credit Amount (in Million US)	Remarks
CREDIT :			
J.	Upper Indravati HEP, Orissa	170.000	
2.	Indira Sarovar HEP, M. P. . . .	9.078	
LOA N	•		
1.	Chandrapur TPP, Maharashtra . .	230.000	The Bank has cancelled the un-disbursed amount as on 29-7-94.
2.	Keraia Power Project, Kerala	156.000	The Bank has cancelled the loan amount cf USS 30 million as on 15-4-94.
3.	Karnataka Power Project I ..... Karnataka.	69.637	Cancelled
4.	Karnataka Power Project II, Karnataka.	220.000	Cancelled.
5.	Maharashtra Power Project I, Maharashtra.	354.000	
6.	Maharashtra Power Project II, Maharashtra.	350.000	

MOU Signed by REC

2133. SHRI V. RAJAN CHELL-APPA : Will the Minister of POWER be pleased to state:

(a) whether any Memorandum of Understanding (MOU) has been signed between the Rural Electrification Corporation (REC), the Ministry of Non-Conventional Energy Sources and the US based National Rural Electric Co-operative Assoc'ation during the first week of August, 1994; and

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGA YYA NAIDU) : (a) Yes, Sir.

(b) The Memorandum of Understanding CMOU) provides for co-operation between Ministry of Non-Conventional Energy Sources, Rural Electrification Corporation and Naional Rural Electric Co-ODera-tive Society of USA for setting up sustainable Decentralised Power Distrbution Systems. Areas of co-orjreation ,nclnde development of closer relationship for extending technical know-how. training facili-

nd mangement system fo* reduction of T&D losses, efficient use of Energy, reduction in environmental degradation, use of cost-effective alternate Energy sources, and securing bilateral or multilateral assistance for programme development under the MOU.

Agreement with Hong Kong for Power Projects

2134. SHRI ISH DUTT YADAV: Will the Minister of POWER be pleased to state :

(a) whether it is a fact that Government have entered into an agreement with a Hong Kong based company for joint power stations in the country;

(b) if so, what are the terms and conditions of the agreement;

(c) the States in which these power stations are proposed to be set up and by when these projects are likely to be set up; and

(d) the extent to which the power situ ation in these States is likely to be im proved as a result thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU) : (a) to (d) M/s. Consolidated Electric Power Asia Limited (CEPA), a subsidiary of Hopewell Hold-in.s Limited, Hong Kong has shown preliminary interest in setting up two coal bas?d thermal power projects of 8x660 MW capacity each. CEPA and Power-grid Corporation of India Ltd. have signed an initial Memorandum of Understanding in th's regard. M/s. CEPA proposed to commission the projects in a period of about 4 to 5 years from the date of financial closure for projects.

Viability of Power Projects

2135. SHRI KRISHNA KUMAR BIRLA : Will the Minister of POWER be pleased to state :

(a) whether Government's attention has been drawn to a news-item in the 'Statesman' dat^d the 8th November, 1994, captioned "Doubts over viability of power projects";

(b) if so. whether the clearance to fast-tract power projects in the country are creating serious financial erisis;

fc> if so, what are the details of views of Government in this regard; and

(d) the reaction of Government on draft discussion paper prepared bv Indira Gandhi Institute of Development Research, Mumbai?

THE MTNISTER OF STATE TN THF. MINISTRY OP POWER (SHRI P. V. RANGAYYA NAIDU): (a) Yes. Sir.

fb) No, Sir.

(c) Does not arise.

(d) The observations attributed to the discussion paper of Indira Gandhi Institute of Development Research, Mumbai have been examined by tlie Ministry of Power and are found to be based on certain assumptions which are unrealistic and have resulted in highly inflated counter-guarantee exposure amounts. The discussion paper assumes that the counter-guarantee would be provided to projects totalling 20,000 MW for an amount of about US $ 10 billion per year, which is assumed to be 3% of the GDP of the country. As against the assumed figure of 20,000 MW, the Government has agreed in principle to extend the counter-guarantees to eight projects for a capacity of only 4,808 MW. The counter-guarantee extended to Enron is a limited guarantee in terms of both its scope and term and places an annual guarantee limit at Rs. 1,500 crores with provisions for escalation. The payment obligations in respect of the other 7 projects for which counter guarantee has been agreed would be of the order of Rs. 7,403 crores. The Central Government's exposure is thus expected to be only about Rs. 8,903 crores (US $ 2.8 billion) for all these projects which would only be about 0.8% of the GDP if this is fo be compared with the 3% of GDP figure of the discussion paper. The other assump'ion is that the State Electricity Boards and the States would •nvariably default all the time on their payment obligations to the private power companies, which s v/holly against the experience of Central PSUs wh'ch have been selling massive quantum of power to tin S:.'" Electricity Boards. It needs to be emphasised that the counter-guarantees in actuality do not expose the Central Government to this high degree of financial liability as there are adequate safeguards built in the scheme part'cularly thf right of the Central Government to debit the Account of the States with the RBI in'o which the devolution due fo the States from the Centre are credited. The possibility of the counter-guarantees actually be ng trigerred are extrem^lv^ remote. Th» cou'ner-guarantees ar? conceived as only a confidence b'r'ld'ng measure and there is no reason that these would lead to a financial crisis for the Central Government.

Regulation of Power Supply to Delhi by NFPC

2136. DR. NAUNIHAL SINGH: Will the Miuster of POWiiR be pleased to state:

(a) whether it ts a fact that National Thermal Powei Corporation (NTPC) has dwded fo regulate power supply to D«'hi. following non-pavment of energy b'lls w'th DnUii Electricity Supply Undertaking (DESU): if so, what are the details thereof; aad